West Newton Community Liaison Committee 7pm on 29 October 2019 Densholme Care Farm, Great Hatfield Notes of Meeting

Attendees:

David Montagu Smith (Chairman, Rathlin Energy (UK) Limited) - DM-S Tom Selkirk (Country Manager, Rathlin Energy (UK) Limited) - TS Caroline Foster (Operations Engineer, Rathlin Energy (UK) Limited) - CF Andy Sloan (Wells Manager, Rathlin Energy (UK) Limited) - AS Stephen Croft (Site Technical and Local Liaison, Rathlin Energy (UK) Limited) - SC Sarah Blanchard (Resident Representative Aldborough) - SB Deborah Stabler (Representing Burton Constable Parish Council) - DS Ron Jagger (Resident Representative Burton Constable) - RJ Anita Howell (Representing Ellerby Parish Council) - AH Harry Clark (Ellerby resident representative) - HC Lisa Brazier (Representing Humbleton Parish Council) – LB Annette Ford (Resident Representative Sproatley) - AF Charlie Sharp (Representing Withernwick Parish Council) - CS Matthew Grove (Resident Representative Withernwick) - MG Don Fields (Resident Representative Sproatley) - DF Philip Loades (Rathlin Energy (UK) Limited Communications) - PL (vice Simon Taylor - ST)

Apologies

Vanessa Nolan (Resident Representative, Humbleton) - VN Geoff North (Representing Aldborough Parish Council) - GN

1. Welcome

DM-S opened the liaison group meeting, welcomed everyone and thanked them for attending. The notes from the last meeting on 12 June 2019 were agreed as a true and accurate reflection of the discussions at that time. Apologies were noted on behalf of Vanessa Nolan and Geoff North who had both indicated beforehand that they could not attend this evening's meeting.

DM-S reminded the committee about the recent introduction of new partners to the project which include new shareholders within Rathlin Energy (UK) Limited and two joint venture partners that have taken a share in the PEDL 183 licence. He said that Rathlin Energy (UK) Limited still remains the Operator of the licence and, as can be seen this evening, the strategic and operational team consists of the same people who have been involved in the company's work at West Newton since the very beginning. DM-S said that the new venture partners are very important, with their financial investments giving the company's oil and gas exploration activities new impetus.

HC asked about the messages that the investment companies were putting out, suggesting that the investors' communications seemed very ambitious and positive whereas the information from Rathlin Energy (UK) Limited always seemed to be more cautious. TS said that early indications of the West Newton prospect are very encouraging. He said it is in the very nature of oil and gas explorers is to take one step at a time, letting the science inform the next steps.

He said that the investors are right to be very positive about what Rathlin Energy (UK) Limited has found so far and he committed to keep the local community informed about progress and planned operations in the usual way. TS said that he understands the importance of messaging alignment between all partners and that this is something that would be discussed further internally.

DM-S said that the team is currently in the process of bringing together all the resources for the next 12-months of activity. He said that this meeting would cover the planning and operations for finalising the work at West Newton A-2 (WNA-2) alongside preparation work at West Newton B (WNB).

2. WN-A2 Update

TS said that before drilling and completing the analysis of the core and logging programme, the understanding was that the target was likely going to be a gas reservoir. However, it has since become evident that around 1/3 of the reservoir at WNA-2 is filled with gas and 2/3 filled with oil. The testing programme for the WNA-2 well had originally been designed to cater for what was thought to be primarily a gas prospect and as such the oil reservoir was not able to be fully evaluated during the testing phase conducted between 6th and 30th August. He said that this underlines the challenges with exploration work and the discovery of the unknown – this positive outcome hadn't been anticipated.

TS said that this meant, initially, that the testing team were unable to lift all of the liquids in the well to surface in an effective manner. He said, in light of this, the team performed an N2 lift which involved the injection of nitrogen into the well bore to try and lift all fluids to the surface. He explained that this was permitted by the Environment Agency and is a tried and tested method of lifting liquids to surface as part of oil and gas field testing and production. He said that it is a safe system of operation.

TS explained that wellbore fluids were recovered at surface with associated gas but there was not enough energy in the reservoir to recover any reservoir fluids to surface, but that fluids were tagged someway up the wellbore.

TS explained that in order to recover the fluids effectively from the well bore, the team will need to install a suitable pump. He said that because the Environmental Agency permit did not provide for the installation of a pump, a decision was taken to temporarily suspend the operations so that the team could arrange go back to the Environment Agency with a revised solution. He explained that the work was suspended, and the equipment was demobilised from site on 30 August 2019.

CF said that the regulatory compliance audits for the WNA-2 work had all been positive throughout both the drilling and testing phase. She said that a number of different Compliance Officers from the Environment Agency had visited the site and the office on several occasions as part of both scheduled and unplanned visits and that there had been no compliance issues to report. She also mentioned that there had been a joint audit between the Environment Agency and the Health and Safety Executive which was very positive. HC mentioned that all of the compliance assessment reports are available on the Environment Agency website 28 days after the report has been issued.

HC asked about when the work was likely to re-start using the pumps. TS said that the permits would have to be reviewed to include another operating technique. The wastes associated with the operation were not changing and no pollutants were being introduced to the wellbore. He said that Rathlin Energy (UK) Limited anticipates the process could be a couple of months before it was reviewed/approved.

TS added that when the equipment is re-mobilised to the site, it will include the pump – as outlined earlier – along with a surface separation equipment, fluid storage tanks and an incinerator. He said that any oil will be taken away in trucks and probably handled by one of the refineries on the south bank of the Humber.

TS was asked the depth at which oil was found. He said that it was at around 1,700 metres in the Permian age Kirkham Abbey carbonate formation.

TS then presented some slides that showed the kind of equipment that could be used to lift the oil from the wellbore. He explained that the types of pumps that might be procured, including: a standard pump jack, as seen on many oil sites within the UK, or an alternative rod pump which uses a hydraulic system on top of the well. He said that both of these pumps have the technical capability to undertake the required work.

TS then showed an example of a producing oil field which is situated to the south of the Humber. This, he said, gave a physical representation of what a small operational oil field would look like – in this example, a two pump jacks system was in place. He explained that, at this particular site around 25 barrels of oil are currently produced each day which may equate to the equivalent of approximately one tanker entering and leaving the site every three days. TS said that at some point in the future, when it convenient for community liaison group members, it might be possible to arrange a visit to the south Humber site.

When asked about the site size, TS said there is the flexibility to increase the WNA-2 site by around an acre, but that will only be done if there's an opportunity to drill more wells - which of course is subject to acquiring the relevant/necessary regulatory permissions. To paint a picture that most parish and local resident representatives could visualise, TS said that the site would be about a quarter the size of the nearby Tansterne biomass facility.

CS asked what would happen if the flow of oil can't be controlled. TS said that this would not be an issue/problem. He explained that the reservoir will only lift the fluid to about 1,000 metres from the bottom of the wellbore, at which point the pressure is insufficient to lift the fluid any further. CF added that wells are designed to hold pressure within the well and that there are well heads installed on each well which can handle pressure which far exceeds any maximum pressure you will see from the reservoir. She said the valves can be closed to 'shut the well in' if needed.

CF reminded resident and parish representatives that Rathlin Energy (UK) Limited had recently applied for hazardous substances consent to store up to 199 tonnes of oil on site. She said that this had been applied for to increase the amount of storage available on site from the allowable 50 tonnes that you are able store without any planning consent. CF explained that the team had applied for greater capacity at WNA-2 to reduce the necessity of frequent tanker visits during the well testing phase (by being able to store more).

MG asked if there could be a point where the production of oil is at such a level that it could need a pipeline. In response TS said that, although Rathlin Energy (UK) Limited is unable to answer that question at the present time, it could be a feasible option if the reservoir is large enough and the volumes produced were at that kind of level. He said that in those circumstances it might make more sense to put local infrastructure in between the site and an oil processing facility.

TS said that the economic threshold of a pipeline could be quite large depending on the delivery point. However, pipelines between the sites may be something to look at so that the products could be gathered at one site at the most sensible point to tanker away on the road. DM-S added that if the prospect reaches a stage where oil levels were high, a conversation with East Riding of Yorkshire Council would need to take place to assess tolerable vehicle movements from the site. He said that at this stage it would be impossible to say what the potential vehicle movements would be and/or what infrastructure might be needed. He confirmed, however, that the team had started to theoretically consider some of these issues.

TS said that the site is, for example, about six miles from Saltend where there is a rail head and it would not be impossible to link into the facilities there, or different sites gathering oil by pipeline to a central point of export from the field. He said that this is very much conjectural at this stage, however, because the company is still exploring the area.

DM-S was asked if Rathlin Energy (UK) Limited would pay for the widening of the necessary roads to accommodate any tankers. In reply, he said that there is every possibility that this question will have to be addressed, but that it is too early to say what will and what won't be needed at this stage. He confirmed that if the company reaches the position where such considerations are necessary, a full planning and environmental impact assessment will need to be put in place that satisfies East Riding of Yorkshire Council and the residents it represents. DM-S said that Rathlin Energy (UK) Limited would always work in collaboration with the statutory authorities in the development of its plans.

CF said that, in the meantime, the company would continue to use the approved routes to and from the site as outlined in the traffic management plans for each site – or as directed by Humberside Police in exceptional circumstances.

3. West Newton B site

CF outlined the plans to construct the West Newton B (WNB) site which already has the statutory permissions in place to drill up to two wells. She confirmed that the 2015 planning permission is still in place to construct the access track, the site and to drill and test two wells.

CF said that the environmental permits are in place to drill and conduct a drill stem test – but the permits will have to be varied to include extended well tests, similar to the arrangements that were put in place for WNA-2.

CF explained that is necessary because when Rathlin Energy (UK) Limited originally applied for the required permits, there wasn't an approved flaring/incineration solution in place at that time.

TS added that the original solution would, in all likelihood, have changed had it been in place at the outset given the new situation and understanding with the reservoir which previously was thought to be a predominantly gas prospect.

CF said that Rathlin Energy (UK) Limited still has all of the necessary permits in place to drill the well. She said that before to drilling any new well, an application to the Oil and Gas Authority would be required to drill and test the new well(s).

CF said that prior to drilling, or any programme of works, Rathlin Energy (UK) Limited will have to submit a 21-day notification to the Health and Safety Executive. She also mentioned that other organisations, such as the Coal Authority, will also be notified and that if there is any drilling through a coal seam a relevant licence will be required. Finally, she said that a WR11, which includes the design of the well, will also have to be submitted to the Environment Agency so they can assess whether the well design will sufficiently protect subsurface geology from an environmental point of view.

Well details and timescales

HC asked if some information in one of Rathlin Energy (UK) Limited's partners' investor presentation that indicated one vertical well to about 2,000 metres depth and one horizontal well drilled back 2.5km toward West Newton A site was correct? TS said that this was broadly correct in terms of the proposed depths but that the specific potential horizontal direction was being considered at this stage.

In terms of the proposed timescales, HC asked whether the plan was for site preparation work to begin in the first quarter of 2020 with drilling of both the West Newton B-1 (WNB-1) and West Newton B-2 (WNB-2) wells taking place in the second quarter of 2020. He also asked if the testing of both wells would take place during the third quarter of 2020.

TS said that those timescales for drilling and testing were ambitious. CF explained that the construction of the site could take three months. She said that it is likely that the well depth would be very similar to WNA-2 at 2,100m with targets in the circa. 1,700m Kirkham Abbey and the circa 1,800m Cadeby reservoirs. CF said that the much talked about Bowland Shale (commonly associated with shale fracking) was at a depth of circa. 3,000m. It was reiterated again that high volume hydraulic fracturing within the Bowland Shale does not form part of Rathlin Energy (UK) Limited's work.

Construction

CF said that it is possible that the water monitoring bore holes would be drilled prior to site construction. She said that the water monitoring bore holes are a requirement of the Environment Agency Permits at WNB - in the same way as at WNA. She said that these could be drilled using a small water well drilling rig under permitted development prior to site construction. She explained that this is an option that the company will discuss with East Riding of Yorkshire Council because it will enable the team to establish a longer baseline sample of the ground water well in advance of the drilling work beginning.

CF said that East Riding of Yorkshire Council's archaeology condition is not fully signed off. She said that the written scheme of investigation has been agreed by East Riding of Yorkshire Council and that some trial trenches have been dug on the site but that a full 'strip, map & record' exercise of the site area must be conducted prior to starting construction to enable any findings to be fully investigated. A watching brief would also be in place whilst constructing the track to ensure anything of interest that is uncovered is fully evaluated.

CF said that the site construction works will take approximately 12 weeks and that plans will be put in place to ensure adherence to all construction, environmental, traffic and biodiversity requirements (including additional hedging and bird boxes, etc.).

AS said that the drilling objectives are to complete the activities with full compliance of regulatory requirements and with no incidents. He explained that the depth of the wells can vary slightly depending on what is found when the drilling process begins.

AS then explained that the plan would be to start off vertical and then drill to a slight angle to the target depth. He said that, the well will be completed when drilled to the target depth. If horizontal drilling is being considered, the team may go back in at a specific depth and drill from there – using the wellbore that has already been drilled, as opposed to drilling a new one from the surface. He said, in response to HC's earlier question, that 2,500 metres may, or may not, be the horizontal length – this will depend on the reservoir itself and what Rathlin Energy (UK) Limited wants to achieve.

When asked if the WNA site might at some point become redundant, TS said that in addition to the additional testing at WNA-2 the WNA location provides for other reachable Kirkham Abbey and/or Cadeby targets from that surface location.

CF explained that the hours of construction will be from 7am to 6pm Monday to Saturday, no Sundays or Bank Holidays, and similar traffic movements that were in place when the WNA site was developed (during the day where possible). She said that drilling would take place 24-hours a day, seven days a week and that traffic may access the site 24-hours a day, but that logistics would be planned for daytime hours where possible. She said that the well testing and site activity will be typically 12-hours a day, however there are certain operations including a flow test, which will be 24-hours a day. Restoration of the site is roughly the same timescale as site construction.

Traffic

CF gave an overview of the traffic management plan. She said that route for Rathlin Energy (UK) Limited's vehicles is via Bilton and Wyton to Sproatley. She said that they would then continue on through Sproatley as if going to Aldbrough. She then explained that vehicles would take the first 90-degree corner to the north and then east towards Humbleton before taking a left turn on to Pasture Lane. She said that a private track will be constructed across farmland from Pasture Lane up to Crook Lane and Engine Lane and then straight onto the site.

CF said that planning permission for the WNB was granted in 2015. She said that the track was approved with the planning application, rather than as a condition. CF said that an extension to the planning application should not be needed as it was granted for a five-year period from when the plans were passed. She said that the condition is that the company must complete the programme of work within 24-months of work beginning.

CF then showed a few slides which referred to an independent traffic survey and the vehicle movements through Sproatley that was undertaken at the time of the planning application. Resident and parish representatives asked about the road near to the Blue Bell Pub where it was said to narrow considerably and to become quite congested.

TS said that the data shows approximately 28,000 vehicles a week go through Sproatley and that the net effect of Rathlin Energy (UK) Limited's work – in the scheme of things – will be very small.

Resident and parish representatives raised an issue that has come to light near Burton Constable. It was said that a number of commercial vehicles are now parking on that hill in Sproatley. Following a detailed discussion about this, it was agreed that Rathlin Energy (UK) Limited representatives would discuss this matter with the Parish Council and East Riding of Yorkshire Council's highways department.

MG asked if Rathlin Energy (UK) Limited will make a financial contribution to address any damage caused by the company's vehicle movements in the area. TS said that East Riding of Yorkshire Council has set out requirements for road improvements if damage is caused and this will be addressed as part of the dilapidation process. He said that the team works with its supply chain partners to try and reduce the risk of this happening.

TS also mentioned to the community liaison group that the organisation is more than willing to look at general road improvements where required as part of its operations. An example, he said, are the passing places that the company installed on Fosham Road when constructing the site at WNA. He said that at the moment, based on the forthcoming plan, there are no further specific requirements.

DM-S added that these are still very early days and, as of yet, Rathlin Energy (UK) Limited doesn't know the extent of any potential commercial development. He said that the longerterm plan, and the company's consequential involvement in local community initiatives, will largely depend on the number of wells drilled and the results of the tests undertaken. He explained that the company will ensure that its community benefits are addressed if the exploration phase eventually moves into a production development. He said that this will result in a very detailed environmental impact assessment being conducted and agreed with East Riding of Yorkshire Council – including the company's Section 106 obligations. He said that these must be discussed and shaped with the local community.

Resident and parish representatives asked if anyone knows about what is happening with the Tansterne Biomass plant. A general discussion took place about the announcement that the plant had gone into administration in September. The general consensus was that the site was operational again, but that the extent of the work there was unknown. When in full production it was said that there were around 40 lorry movements in each direction to/from the site (80 in total) each day.

MG asked whether greater security measures had been planned into this site. CF said that the site would be secured as per the planning permission and that they would consult with Humberside Police and East Riding of Yorkshire Council's highways team regarding the closure of roads around the site.

TS said that the new private track was designed to try and reduce the impact of the company's operations on other local roads. He said it will only be used for access to the site.

Post meeting note: maps showing the routes to the WNB site are included at the end of these notes.

4. Any other business

There was a detailed discussion about project communications and getting the message out about the work taking place. There was a general consensus amongst resident and parish representatives that many residents don't read the updates letters that Rathlin Energy (UK) Limited distributes. Leaflets with bullet points were suggested as an alternative – information that is quite basic and easy to digest/understand, with more information on the company website for those with a desire for additional background and technical information. It was also recommended that a larger number of meetings with parish councils and smaller community groups could add value.

DM-S pointed out that over the last few years Rathlin Energy (UK) Limited has arranged a number of open house meetings. However, these have been marred by protesters and the feedback received is that local people are put off from attending.

TS said that the community liaison group meetings were originally designed as a central hub for updates to be cascaded by attendees, but with large impasses between meetings and some parish areas having stronger communication channels than others, a bit of a refresh might be due. TS said that he would discuss the matter in more detail with the communications team and ST who, unfortunately, could not be at the meeting that evening.

HC asked a question about the potential prospect of New Ellerby shown in literature released by one of Rathlin Energy (UK) Limited's partners. TS said that the drawing was representative (but a basis schematic) of possible prospects in the area. He said that if the West Newton prospect was proved commercial, that there would need to be more exploratory work, such as seismic testing, to confirm future prospects in and around the area. He said these would be discussed when appropriate at future meetings. He said that a clearer picture on the next steps will be available when the company finalises the testing work at WNA-2 and once WNB-1&2 are drilled and tested.

Resident and parish representatives said that closer engagement with the parish councils would be beneficial. There was a suggestion that the parishes don't always understand the technical elements of what they are asked to review. It was also stated that they didn't anticipate so may protestors from out of town arriving in the local areas disrupting and disturbing community life at the outset.

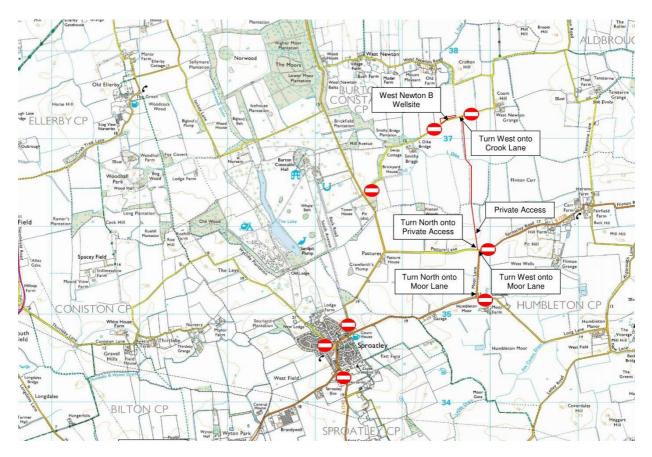
DM-S said that this was something he and his team would take away and review.

5. Next meeting

DM-S thanked the community liaison group members for their positive and enthusiastic participation. He urged anyone with any concerns or questions to get in touch with the company straight away. He said that the notes from tonight's meeting would be distributed within a week. He finished by recommending that the next community liaison meeting be held in January. He wished everyone well and a very safe journey home.

Maps for reference

Route to site...



The new access track and site location...

